

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Update on State Legislation

ITEM NUMBER: 6a

ATTACHMENT(S): 1

ACTION: X

MEETING DATE: June 7, 2001

INFORMATION:

PRESENTER: Ed Derman

SUMMARY OF STATE LEGISLATION

Attached is a summary of related legislation. Mr. Derman will provide a verbal update at the meeting.

[illegible]

O – ACCCA, PARS, Mendocino College, Long Beach CCD, North Orange County CCD, Hartnell CCD, Lake Tahoe CCD, Santa Clarita CCD

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LEGISLATIVE SUMMARY – REGULAR BOARD
2001-2002 Regular Session – May 21, 2001

[illegible]

AB 1683 AUTHOR: Assembly PER&SS Committee
 TITLE: CalPERS Omnibus Technical Bill
 AMENDED: 5/14/01
 LOCATION: Not yet assigned in Senate
 BOARD POSITION: Pending

SUMMARY: Allows a member to purchase, as permissive service, the service performed from his or her date of hire in a CalPERS-covered position to the date he or she formally elects to remain in the DB Program, and vice versa. The amount required to purchase the additional service credit would be offset by an amount transferred between CalPERS and CalSTRS, equal to the actuarial value of the accrued benefit.

COSTS: Benefit program – Pending

Administrative –Pending

P – CalPERS

0 – None known

AJR 3 AUTHOR: Assembly Member Leonard
 TITLE: Repeal reduction in Social Security benefits
 AMENDED: 5/10/01
 LOCATION: Senate PE&R
 BOARD POSITION: No position*

SUMMARY: Requests that Congress repeal the Government Pension Offset and the Windfall Elimination Provision on Social Security benefits.

COSTS: Benefit program – None

Administrative – None

P – CRTA

0 – None known

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LEGISLATIVE SUMMARY – REGULAR BOARD
2001-2002 Regular Session – May 21, 2001

[illegible]

AJR 6 AUTHOR: Assembly Member Canciamilla
 TITLE: Federal retirement security and savings programs
 LOCATION: Senate PE&R
 BOARD POSITION: Support*

SUMMARY: Requests that Congress enact new legislation that would embody provisions of the Retirement Security and Savings Act of 2000, which was considered by Congress in 2000.

COSTS: Benefit program – None

Administrative – None

P – SACRS

O – None known

SB 165 AUTHOR: Senator O'Connell
 TITLE: CalPERS membership election
 AMENDED: 4/25/01
 LOCATION: Assembly PER&SS
 BOARD POSITION: Support*

SUMMARY: Permits a vested member of CalPERS not employed in an education-related position who accepts employment to perform creditable service covered by the DB Program, to elect to be excluded from CalSTRS and retain membership in CalPERS.

COSTS: Benefit program – None

Administrative – Minor and absorbable

P – ACSA, CTA, SSDA

0 – None known

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LEGISLATIVE SUMMARY – REGULAR BOARD
2001-2002 Regular Session – May 21, 2001

BILL NO.	>>> STATUS
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SB 191 AUTHOR: Senator Karnette
 TITLE: Defined Benefit Supplement (DBS) enhancement and health
 benefit account
 AMENDED: 3/13/01
 LOCATION: Senate Appropriations
 BOARD POSITION: Support, if amended*

SUMMARY: Requires CalSTRS to make annual contributions to members' DBS accounts until 7/1/11 based on their years of credited service. Requires CalSTRS to pay the Medicare Part B premiums of active and retired DB members who are at least 55 years of age on 1/1/02. Requires CalSTRS to establish nominal accounts and credit each with \$600 per year to pay healthcare insurance premiums for DB members who retired before 1/1/01.

COSTS: Benefit program – Total amortized cost of \$6,556 million over 30 years

Administrative – Implementation costs likely to exceed \$1 million

P – SSDA, UTLA

0 – None known

SB 334 AUTHOR: Senator Ortiz
 TITLE: Retirement following reinstatement
 AMENDED: 3/28/01
 LOCATION: Senate Appropriations
 BOARD POSITION: Support*

SUMMARY: Increases benefits for members who retired for service, reinstate and perform creditable service for two years following reinstatement from a prior retirement.

COSTS: Benefit program – Amortized cost of \$45 million over 15 years

Administrative – Minor and absorbable

P – ACSA, CFT, CRTA, CTA, F.A.I.R.

0 – None known

BILL NO.	>>>	STATUS
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CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LEGISLATIVE SUMMARY – REGULAR BOARD
2001-2002 Regular Session – May 21, 2001

[illegible]

SB 501 AUTHOR: Senate PE&R Committee
 TITLE: CalSTRS Housekeeping bill
 AMENDED: 5/16/01
 LOCATION: Senate Floor
 BOARD POSITION: Sponsor*

SUMMARY: Makes a variety of technical and conforming changes to the Teachers' Retirement Law to improve system administration.

COSTS: Benefit program – None

Administrative – None

P – CalSTRS

0 – None known

SB 1020 AUTHOR: Senator Escutia
 TITLE: Middle School extended year
 AMENDED: 5/7/01
 LOCATION: Senate Education
 BOARD POSITION: Pending

SUMMARY: Offers state fiscal incentives to school districts with schools that increase the school year in grades seven and eight and either grade six or nine by 20 days, or other specified days and hours for year round schools.

COSTS: Benefit program – Pending

Administrative – Minor and absorbable

P – California League of Middle Schools, California Manufacturers and Technology Association, Long Beach Unified School District

0 – CTA, UTLA

[illegible]

[illegible]

0 – None known

LEGEND OF ABBREVIATIONS

P = PROPONENTS O = OPPONENTS

<u>ABBREVIATION</u>	<u>ORGANIZATION</u>
AARP	American Association of Retired Persons, State Legislative Committee
AALA	Associated Administrators of Los Angeles
ACCCA	Association of California Community College Administrators
ACSA	Association of California School Administrators
AFSCME	American Association of State, County and Municipal Employees
AFT	American Federation of Teachers
AGENCY	State and Consumer Services Agency
A.R.E.	Association of Retirees for Equity
ART	Association of Retired Teachers
BOE	Board of Equalization
BOG	Board of Governors, California Community Colleges
Cal-Tax	California Taxpayers Association
CalPERS	California Public Employees' Retirement System
CalPIRG	California Public Interest Research Group
CalSTRS	California State Teachers' Retirement System
CASBO	California Association of School Business Officials
CCA	Community College Association
CCAE	California Council for Adult Education
CCC	California Community Colleges
CCD	Community College District
CCPOA	California Correctional Peace Officers Association
CFA	California Faculty Association
CFT	California Federation of Teachers
CNEC	California Network of Educational Charters
CPCA	California Police Chiefs' Association
CPFFA	California Professional Firefighters Association
CRTA	California Retired Teachers Association
CSAC	California State Association of Counties
CSBA	California School Boards Association
CSEA	California School Employees Association
CSL	California Senior Legislature
CSU	California State University
CTA	California Teachers Association
DOE	Department of Education
DOF	Department of Finance
DGS	Department of General Services
DPA	Department of Personnel Administration
FACCC	Faculty Association of California Community Colleges
F.A.I.R.	Faculty Attempting to Improve Retirement
FCPHE	Faculty Coalition for Public Higher Education
FTB	Franchise Tax Board

LEGEND OF ABBREVIATIONS

P = PROPONENTS O = OPPONENTS

<u>ABBREVIATION</u>	<u>ORGANIZATION</u>
LADSA	Los Angeles Deputy Sheriffs' Association
LAUSD	Los Angeles Unified School District
OCDE	Orange County Department of Education
PARS	Public Agency Retirement System
PERF	Public Employees Retirement Fund
PORAC	Peace Officers Research Association of California
RPEA	Retired Public Employees Association
SACRS	State Association of County Retirement Systems
SBMA	Supplemental Benefit Maintenance Account
SCSA	State and Consumer Services Agency
SDCOE	San Diego County Office of Education
SEIU	Service Employees International Union
SLC	State Lands Commission
SSC	School Services of California
SSDA	Small School Districts' Association
START	State Teachers' Automation Redesign Team
TRB	Teachers' Retirement Board
TRF	Teachers' Retirement Fund
TRL	Teachers' Retirement Law
UTLA	United Teachers of Los Angeles

STANDING COMMITTEES OF THE ASSEMBLY/SENATE

Assembly PER&SS	Assembly Public Employees, Retirement and Social Security Committee
Senate PE&R	Senate Public Employment and Retirement Committee